

§ 1946.4

7 CFR Ch. XVIII (1–1–02 Edition)

(b) If the State is a qualifying State at the time the written request is made, the written request need only describe the changes to the program since the previous year's request together with such documentary support as may be necessary concerning such changes, as well as a certification that the remaining elements of the program remain as described in the previous application.

(c) The request for certification should be mailed to:

Administrator, Farmers Home Administration or its successor agency under Public Law 103-354, U.S. Department of Agriculture, 14th Street and Independence Avenue SW., Room 5014, Washington, DC 20250.

(d) If a matching grant is requested in accordance with §1946.4 of this subpart, the request for certification also must include the information required by §1946.4 (e)(2) of this subpart.

(e) Within 15 days from receipt of the request for certification, the Administrator will notify the State Governor or Head of a State agency designated by the governor whether or not the State is certified as a qualifying State as defined in §1946.2(b) of this subpart, or, if additional information or clarification is needed to make the determination, the Administrator will advise the State Governor or Head of a State agency of the additional information or clarification needed. Upon receipt of the additional information or clarification requested, the Administrator will respond within 15 days from the date of receipt.

§ 1946.4 Matching grants.

(a) *Administration of grants.* FmHA or its successor agency under Public Law 103-354 will administer the program in accordance with the requirements of 7 CFR parts 3015 and 3016. Any State requesting a grant must comply with the provisions of those regulations.

(b) *Source of funds.* All grants awarded to qualifying States will be made from appropriated funds specifically for this program. A statement of the amounts appropriated, obligated, and remaining available for the program at any particular time will be given to any person upon request to FmHA or its successor agency under Public Law 103-354.

(c) *Amount of grant.* A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and administer its Agricultural Loan Mediation Program which has been certified by the Administrator as meeting the requirements of §1946.3 (a)(2) (i) through (v) of this subpart. In no case will the total amount of a grant exceed \$500,000 annually.

(d) *Distribution criteria.* If funds for grants are appropriated on a fiscal year basis, funds will be obligated on a pro-rata basis to all States whose programs are certified at the beginning of the fiscal year. States certified after the beginning of the fiscal year will receive a share of funds not previously obligated. If, however, when funds for a fiscal year become available, there are not sufficient funds to give all qualified States 70 percent of their justified estimated expenses for the fiscal year, the percentage allocation to each State will be reduced so as to give all States the same percentage of their expenses. If after the percentage calculation any State's allocation still exceeds \$500,000, that State's share will be further reduced to \$500,000 and the remaining States' shares will be increased by the same percentage.

(e) *Eligibility criteria for amount of grant requested.* To be eligible to receive the amount of grant requested, a State must:

(1) Have an Agricultural Loan Mediation Program that has been certified by the Administrator in accordance with §1946.3 of this subpart, which certification has not been withdrawn in accordance with §1946.5 (c) of this subpart.

(2) Provide detailed estimates of the costs of operating and administering the State's Agricultural Loan Mediation Program.

(f) *Grant purposes.* (1) Grants made under this subpart will be used solely for the operation and administration of the State's Agricultural Loan Mediation Program. There is no other authorized use of grant funds. Eligible costs are limited to those allowable under 7 CFR 3016.22 that are reasonable and necessary to carry out the mission of the State's Agricultural Loan Mediation Program in providing mediation services for agricultural producers and

their creditors within the State, such as:

(i) Salaries of professional, technical, and clerical staffs;

(ii) Payment of necessary, reasonable office expenses such as office rental, office utilities, and office equipment rental;

(iii) Purchase of office supplies;

(iv) Payment of administrative costs, such as workers' compensation, liability insurance, employer's share of social security, and travel that is necessary to provide mediation services;

(v) Training for mediators; and

(vi) Secretary systems necessary to assure confidentiality of mediation sessions.

(2) Grant funds may not be used for:

(i) The purchase of capital assets, real estate, or vehicles or repair and maintenance of privately-owned property;

(ii) Political activities; and

(iii) Routine administrative activities not allowable under OMB Cost Principles.

(g) *Application processing.* (1) FmHA or its successor agency under Public Law 103-354 will have 60 days from the date of certifying a State as a qualifying State to review the State's application and supporting information for a grant, mail the obligation document to the responsible State Government official for signature, to obligate funds, and notify the State of approval. In any case where additional information/clarification is needed for processing a grant application, the 60-day time limit will begin on the date the additional information of clarification is received. FmHA or its successor agency under Public Law 103-354 will notify the Governor or Head of a State agency within 15 days of receipt of the application for a grant if information/clarification is needed.

(2) A State requesting a matching grant will submit to the Administrator:

(i) Standard Form 424, "Federal Assistance." The application form can be obtained from any FmHA or its successor agency under Public Law 103-354 office.

(ii) The information prescribed in paragraph (e)(2) of this section.

(h) *Grant approval.* (1) The Administrator will notify the Governor or Head of the State agency designated by the Governor of grant approval by mailing, on the obligation date, a copy of the completed Form FmHA or its successor agency under Public Law 103-354 1940-1, "Request for Obligation of Funds." The Form FmHA or its successor agency under Public Law 103-354 1940-1 will indicate that the grant is subject to the requirements of 7 CFR parts 3015 and 3016, this subpart, and will cite any special grantee conditions.

(i) *Fund disbursement or grant termination or major changes.* (1) Qualifying States approved to receive matching grants under this subpart will receive payment in accordance with 7 CFR parts 3015 and 3016.

(2) In the case of a grant reduction, termination or withdrawal of certification, in accordance with § 1946.5 (c) of this subpart, or major changes in the scope of the State's Agricultural Loan Mediation Program, the Administrator, or designee, will execute Form FmHA or its successor agency under Public Law 103-354 1940-10, "Cancellation of U.S. Treasury Check and/or Obligation," to stop further disbursement of funds under the Grant Agreement.

(j) *Financial management systems and reporting requirements.* (1) States receiving grants must comply with standards for the financial management and reporting and program performance reporting found in 7 CFR parts 3015 and 3016.

(2) Qualifying States receiving matching grants must provide to the FmHA or its successor agency under Public Law 103-354 State Office by September 30 an annual report on:

(i) The effectiveness of the State's Agricultural Loan Mediation Program;

(ii) Recommendations for improving the delivery of mediation services to producers; and

(iii) The savings to the State as a result of having an Agricultural Loan Mediation Program.

(3) FmHA or its successor agency under Public Law 103-354 State Offices will include any comments or recommendations regarding the State's Agricultural Loan Mediation Program

§ 1946.5

and mail the information to the Administrator no later than November 1.

[53 FR 32599, Aug. 26, 1988, as amended at 58 FR 65873, Dec. 17, 1993]

§ 1946.5 Monitoring compliance and penalty for non-compliance.

(a) *FmHA or its successor agency under Public Law 103-354 monitoring.* The FmHA or its successor agency under Public Law 103-354 Assistant to the Assistant Administrator, Farmer Programs, will monitor compliance of the State's Agricultural Loan Mediation Program through the reports received in accordance with §1946.4(j) of this subpart, through information received from FmHA or its successor agency under Public Law 103-354 field offices and the public, and through on-site visits to observe the operation and administration of the program.

(b) *Audit.* The qualifying State is subject to the audit requirements of 7 CFR parts 3015 and 3016 of this chapter. An audit report will be submitted to the FmHA or its successor agency under Public Law 103-354 Administrator annually or biennially as applicable in accordance with OMB Circular A-128 by each qualifying State receiving a grant.

(c) *Penalty for non-compliance.* If the Administrator determines that a State's Agricultural Loan Mediation Program does not meet or no longer meets the requirements set out in §1946.3(a)(2) (i) through (v) of this subpart for certification or, that grant funds are not being used only for the operation and administration of the State's Agricultural Loan Mediation Program, the FmHA or its successor agency under Public Law 103-354 Administrator is authorized to withdraw the certification of the program and terminate additional grant assistance and/or to impose any penalties or sanctions established in 7 CFR parts 3015 and 3016. In the event that the penalty for non-compliance is enforced, the FmHA or its successor agency under

7 CFR Ch. XVIII (1-1-02 Edition)

Public Law 103-354 and other USDA agencies will cease to participate in mediations conducted by the State Agricultural Loan Mediation Program. If the penalty for noncompliance is enforced, the reason(s) will be included in a letter to the Governor or Head of the State agency along with appeal rights under subpart B of part 1900 of this chapter.

§ 1946.6 Nondiscrimination.

The provisions of 7 CFR 1901 subpart E, "Civil Rights Compliance Requirements," 7 CFR part 15, "Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture-Effectuation of title VI of the Civil Rights Act of 1964," 7 CFR part 15b, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefitting from Federal Financial Assistance," and 45 CFR part 90, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," apply to activities financed by grants made under this subpart.

§ 1946.7 Environmental requirements.

Environmental requirements are not applicable to this subpart.

§ 1946.8 Delegation of authority.

The Administrator hereby delegates the authority for processing applications and administering grants under this subpart to the Assistant to the Assistant Administrator, Farmer Programs.

§§ 1946.9-1946.49 [Reserved]

§ 1946.50 OMB control number.

The collection of information requirements in this regulation have been approved by the Office of Management and Budget and assigned OMB control number 0575-0125. In accordance with 5 CFR part 1320, summarized below is the annualized public reporting burden for this regulation: